2 3

4

6

7

5

8 9

10 11

12

13 14

15

16 17

18

19

20

22

21

23

24 25

26

27 28 STATE OF ARIZONA

DEC 2 9 1995

DEPARTMENT OF INSURANCE

DEPARTMENT OF INSURANCE

In the Matter of)	Docket No.	95-276
CIGNA DENTAL HEALTH,	INC.,	CONSENT ORDER	

Respondent.

DISENT ORDER

Director of Insurance for the State of Arizona (Director) believes, from evidence satisfactory to him, Respondent has transacted insurance business as a prepaid dental plan organization in the State of Arizona without being duly authorized therefore. CIGNA DENTAL HEALTH, INC. wishes to resolve this matter without formal adjudicative proceedings and agrees to the entry of the following CONSENT ORDER.

FINDINGS OF FACT

- 1. The Director is charged with the enforcement of Title 20, Arizona Revised Statutes.
- Respondent, CIGNA Dental Health, Inc. (CIGNA Dental Health), is a Florida general business corporation.
- 3. Between 1987 and September 5, 1995, CIGNA Dental Health issued prepaid dental plan coverages to Arizona residents.
- 4. CIGNA Dental Health is not and was not at any material time authorized to transact insurance business in Arizona as a prepaid dental plan organization within the meaning of A.R.S. §§ 20-1001, et seq.
- CIGNA Dental Health collected premiums from Arizona residents for prepaid dental plan coverage.

6. CIGNA Dental Health had enrolled approximately 78,831 Arizona residents in the coverages offered by CIGNA Dental Health as of September 5, 1995.

CONCLUSIONS OF LAW

- 1. The Director has jurisdiction over this matter.
- 2. The conduct of CIGNA Dental Health constitutes the unauthorized transaction of insurance in this state, within the meaning of A.R.S. §§ 20-103, 20-106, 20-107 and 20-401.01.
- 3. The conduct of CIGNA Dental Health constitutes the unauthorized transaction of business in this state as a prepaid dental plan organization, within the meaning of A.R.S. § 20-1001, et seg.
- 4. The conduct of CIGNA Dental Health constitutes misrepresentation and deceptive advertising of insurance, within the meaning of A.R.S. §§ 20-443 and 20-444.

ORDER

IT IS THEREFORE ORDERED:

- 1. CIGNA Dental Health, or an affiliate of CIGNA Dental Health, may seek a certificate of authority to conduct business in Arizona as a prepaid dental plan organization.
- 2. The transfer of the existing prepaid dental plan organization insurance business of CIGNA Dental Health to the holder of a certificate of authority to conduct business in Arizona as a prepaid dental plan, including an affiliate of CIGNA Dental Health, shall be accomplished within 180 days from the date of this Order.
- 3. CIGNA Dental Health shall pay a civil penalty of \$10,000.00 to the Arizona Director of Insurance for remission to

the State Treasurer for deposit in the State General Fund, to be provided to the Administrative Law Division of the Department of Insurance on or before the entry of this Order.

- 4. CIGNA Dental Health and its agents and employees shall cease and desist from the transaction of insurance business as a prepaid dental plan organization in this state without a certificate of authority.
- 5. CIGNA Dental Health shall, within 30 days from the date of this Order, submit evidence satisfactory to the Director of the payment of all outstanding Arizona premium tax obligations pursuant to A.R.S. §§ 20-1010 and 20-225 arising from CIGNA Dental Health's transactions as a prepaid dental plan organization. In addition, CIGNA Dental Health or its affiliates shall remit all outstanding premium tax obligations to the Department within 30 days of this date of this Order or, if not yet due, on the due date established by law.
- 6. This Order fully resolves all issues relating to the matters identified in this Consent Order regarding the transaction of insurance business as a prepaid dental plan organization in Arizona by CIGNA Dental Health or any of its affiliates without a certificate of authority issued by the Director of the Arizona Department of Insurance.

Date: 12/29/95

Chris Herstam / Director of Insurance

-3-

26

27

28

CONSENT TO ORDER

- 1. CIGNA Dental Health has reviewed the attached Consent Order.
- CIGNA Dental Health is aware of its right to a hearing, at which hearing CIGNA Dental Health may be represented by counsel, present evidence and cross-examine witnesses. Dental Health irrevocably waives its right both to demand a public hearing and to seek judicial review of this Consent Order.
- 3. CIGNA Dental Health admits the jurisdiction of the Director of Insurance, State of Arizona and consents to the entry of this Consent Order.
- CIGNA Dental Health states that no promise of any kind or nature whatsoever has been made to induce it to enter into this Order and that it has entered into this Order voluntarily.
- CIGNA Dental Health acknowledges that acceptance 5. of this Consent Order by the Director of Insurance, State of Arizona, is solely to settle this matter against it and does not preclude any other agency or officer of the state or subdivision thereof from instituting other civil or criminal proceedings as may be appropriate now or in the future.
- GAIL M FARCIA who the office of Vice President - Secretary of CIGNA Dental Health is authorized to enter into this Consent Order for and on its behalf.

CIGNA DENTAL HEALTH, INC.

(Date)
By Jaie on Jane

COPY of the foregoing mailed/delivered this 29th day of December, 1995, to:

Chris Herstam, Director
Charles Cohen, Deputy Director
Gregory Harris, Executive Assistant Director
Erin Klug, Executive Assistant
Catherine O'Neil, Assistant Director
Gary Torticill, Assistant Director
Deloris Williamson, Assistant Director
Nancy Howse, Deputy Chief Examiner
Kelly Stephens, Deputy Assistant Director
Jeffrey Solem, Chief Analyst
A. Lee Books, Examiner/Analyst
2910 North 44th Street, Suite 210
Phoenix, Arizona 85018

S. David Childers, Esq. Low & Childers, P.C. 2999 North 44th Street Suite 250 Phoenix, AZ 85018

Gail Patricia Garcia Vice President and Secretary CIGNA Dental Health Plan of Arizona, Inc. 300 N.W. 82nd Avenue, Suite 700 Plantation, FL 33324

Chris Crawford

3